

Fiscal Estimate Narratives
DOR 7/22/2005

LRB Number	05-2210/4	Introduction Number	SB-259	Estimate Type	Original
Subject					
Eliminate various school district requirements; municipal and county sharing					

Assumptions Used in Arriving at Fiscal Estimate

This bill makes several changes to current law affecting the state, school districts, municipalities, and counties. The effects on municipalities and counties is discussed below. The effects on schools are discussed in the fiscal note from the Department of Public Instruction. The effects on the state are discussed in the fiscal note from the Department of Administration. The effects on the University of Wisconsin system are discussed in the fiscal note from the University.

LOCAL REVENUE SHARING

Under current law, any municipality (town, village, or city) may enter into an agreement to share revenues from taxes or special charges with another municipality or with a federally recognized American Indian tribe or band. Municipalities entering these agreements must be contiguous. Any agreements must: (a) be for a minimum of 10 years, (b) establish the boundaries of the area in which revenues will be shared, (c) describe how revenue shares are calculated, (d) specify when payments will be made, and (e) specify how the agreement can be invalidated at the expiration of the initial 10-year term.

Under the bill, counties could participate in local revenue sharing agreements with a municipality wholly or partially contained in the county, with an adjacent county, or with a federally recognized American Indian tribe or band.

The Department of Revenue (DOR) conducts an annual survey of local governments concerning the area cooperation agreements they have entered into. The 2004 survey did not indicate how many revenue sharing agreements currently exist or how much revenue is being shared. It is therefore not possible to reasonably project how much revenue might be shared if counties may also enter into such agreements.

MUNICIPAL POLICE DEPARTMENTS

Under current law, cities must provide for their own police departments. Villages with a population of 5,000 or more must provide police protection by establishing a police department, creating a joint police department with another municipality, or contracting for police protection with a county or another municipality.

Under the bill, a city or village could abolish its police department and contract with the county sheriff for police protective services. (A multi-county municipality could contract with the county sheriff of the county which contains the largest percentage of the municipality's territory, population, or equalized value.) Contracts would be required to: (1) provide for the division of the dissolved police department's assets and liabilities, (2) describe the level of services to be provided and how much is to be paid for the services, (3) permit requests for additional services and determine payment for such services, and (4) state the term of the agreement and provide for the renewal, extension, or termination of the agreement. In addition, if the county sheriff needs to hire additional law enforcement officers to provide the contracted services, the officers of the dissolved police department are to be given preference in the hiring process.

DOR does not have the data to reasonably estimate the cost savings, if any, that contracting for police services with the county could provide. There are also no data to reasonably project how many municipalities would enter into such contracts. It is therefore not possible to estimate the potential reduction in expenditures that this bill could engender.

HEALTH DEPARTMENTS

Under current law, outside of Milwaukee County, a local health department may include a city health department if that department was established before January 1, 1994.

Under the bill, a city whose health department participates in a city-county health department or a joint department with another city may withdraw from such joint operations by giving notice at least one year in advance. Such withdrawals take effect at the start of the fiscal year (January 1). Any such department that withdraws from a joint agreement would continue to be deemed a local health department.

DOR does not have the data to permit a reasonable estimate the fiscal effects of this portion of the bill.

Long-Range Fiscal Implications